Barking

28 9 1908

SI No 193

G. R. S. 58

Previous references.

B. April 08 1-7. B. 14-08

1908-9

(Banks)

File No. 28-08

Serial Nos. 183

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 183

Part B. for July 1909

SUBJECT.

Rules for audit of accounts of Cooperative Societies

---

1) To Receive Cannot No. 72-2500 9. 28 4/08
~~Copies~~ Request to obtain from the Registrar of cooperative Societies a copy of the audit rules framed by Mr J.S. Chakravarti forwarded the same to Govt

2) To the Registrar of cooperative Societies
Approves of the rules with the alterations suggested by the Registrar

GPB.-8,000-7-4-07

G.R.S. 11] 1908

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No. 28-08

FILE HEADING.

Rules regarding the Book of accounts of the Co-operative Societies in Mysore

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First sheet

GPB—30,000 - 3-4-07.

G. R. S. 12]
General and Revenue Secretariat.

Bg File No. 28 of 1908

2L

Serial No.

Extract of Dewan's orders in Banking File 14 of 08

"The rules framed by Mr: Chakravarthi for Berlal may be forwarded to the Registrar (thro' the Revenue Commr) for remarks

By order
(sd) C. Matthan
21-XI-08

"Do so"
(sd) K.L.S.
25-XI-08

25/11/08 Submitted with a draft
K.S.
25.11.08.

Done, mk
26.11.0

To The Revenue Commr
Lr No H 2500 of 28-4-08

Requests to obtain from the Registrar a copy of the rules framed by Mr Chakravarthi & forward the same early to this office

Subd with copy of rules
but
29/5 mk 31/5

2) The rules received with D no: 2609 & 2610 are put up with D no: 2630. They may be taken up after the papers on the file re the Establishment are disposed of. Vide at 5 B 14-08.

3 What a separate file should be opened for all the papers regarding the rules, why has this not been done. Please send this file at once for circulation and the file orders now to be issued from a separate file.
mk 26/11

G. R. S. 12]
General and Revenue Secretariat.

B File No. 28 of 1908

3(3

Serial No.

Please put up the letter (Rev Commr's or Registrar's) with which these rules were rcd

mrh 31-5-9

Hay S

Please see Sl 5 of B 14-08 herewith subd

The ~~Sept~~ instructions for the guidance of auditors, with the modifications suggested by the Regr appears to be suitable & a draft approving of the instruction may be put up. In para 35 of the instructions the word 'supervising' has to be omitted as we have no officers of this kind in connexion with the Courts in Mysore

mrh 9/6/9

Draft subd
bnk
12/6

Gene Secy

mrh 13-6-9

Dewan)

1165
10/6/09

usk 15/6/09

Issue usk 17/6/09

21/6/09

Note—Contn. sheet.

GPB—50,000—13-5-08

Serial No.	
3	I, the Registrar of Cooperative Societies hereby approve of the rules as being suitable for the registration of Societies in Mysore with the Model attached thereto suggested by the Registrar

—Contn. sheet.

GPB—50,000—13-5-08

(1) For the File.

G.R.S. 31]

No. H2500
B28—08

From

K.S.Chandrasekhara Aiyar, Esq., B.A., B.L.
Secretary to the Government of His Highness
the Maharaja of Mysore, Genl. and Rev. Dept.

To

The Revenue Commissioner
in Mysore.

the 28—4—1908

Genl. and Rev.
Secretariat

Sir

The question of prescribing a set of rules for use in connection with the auditing of the accounts of Co-operative Societies is under the consideration of Government. The rules framed by Mr.Chakravarti for the guidance of auditors in Bengal are reported to have been found useful and the Registrar of Co-operative Societies in Mysore is believed to have brought a copy of the said rules from the Simla Conference. I am directed to request you to obtain the copy and forward it

to

to Government for information. I am also to request you to favor Government with your opinion as to whether the said rules are suitable for adoption in Mysore.

I have the honor to be

Sir,

Your most obedient servant.

For Secretary to Govt.

L.S.R.
2.

K.S. 26.11.08

Process of the audit of accounts of Co-operative Credit Societies, Bengal.

Registrar's suggestions.

Preliminary.

1. Mention the following particulars regarding the Society:-

(a) Date when established.

(b) Name of the villages included within its operations.

(c) Name of the proprietor or names of the principal proprietors if there are many within which the the society is situated

(d) Names of the office-bearers with the dates of their appointments

(e) Names of the keeper of the books and whether he is a member or not and also he is paid any remuneration.

1(b) Name of the villages included within its operations. State whether they are Government or Inam villages.

(c) This may be omitted.

Register of Members.

2. See that the Register is properly maintained and that the addresses, caste --- dates of membership and other particulars are properly filled in and that all the members reside within the boundaries specified in the by-laws and none of the members belong to another rural Society.

2. See that the Register is properly maintained and that the addresses, caste, dates of membership and other particulars if any as mentioned in the by-laws are properly filled in and that all the members reside within the boundaries specified in the by-laws. State also whether any of the members belong to another Society.

3. See that the number of members is not less than ten.

3. See that the number of members is not less than ten and that four-fifths of the members are

(a) in the case of Rural So-cieties, agriculturists;

(b) in the case of Urban So-cieties, non-agriculturists

No distinction is made in respect between rural and urban societies.

4 See that all the new members have paid admission fees and that rules re-garding admission of new members have been observed.

5. Note whether any of the members have been expelled from the Society and whether in such cases the rules regarding expulsion have been observed

Register of Shares and Debentures.

6. Mention what is the amount of the share-capital of the society and whether it has exceeded the maximum limit prescribed in the rules.

7. See that the limits up to which a member can hold shares (sec 12 of Act) has not been exceeded in any case

Substitute Regulation for Act.

8. See that there have been no trans-fer of shares held by a member for less than one year

9. Scrutinize how the shares of mem-bers deceased since last audit have been disposed of(sec 16 of Act) refer-ring to the Register of Members' Nominee when necessary.

Substitute Regulation for Act.

Cash Book

See that the opening balance

of the present period of audit agrees with the closing balance of preceding period; also see that the totals have been correctly made every month and the correct balances carried forward from month to month.

11. State whether the monthly bal--ance is signed by the Treasurer and cash verification certificate recorded an entry to that effect being also made in the Minute Book.

12. Examine carefully whether the transactions of the society are done on the day the committee meets.

12. Examine carefully whether the transactions of the Society are entered from day to day as they take place.

13. Check all receipts on account of share-payments with the Register of Shares; all receipts on account of entrance-fees with the Register of Members; all receipts on account of deposts by members with the Depositors Accounts; all loans from Government or non-members with the original pa--pers relating to the transactions as well as with the Depositors' Ac--counts and also with reference to the by-laws sec 9 of the Act all loans repaid by members with the Members loan Accounts; interest received with the Members' Loan Accounts; Sale -proceeds of stock with the Stock-Account or original papers relating to purchase and sale of stock.

Substitute Regulation for Act.

14. In all cases in which receipts

are not such as can be traced into any Register, the papers relating to the receipts should be carefully gone through and the receipts checked against those papers.

15. Check disbursements on account of share-capital withdrawn with the Share-Register of Shares; deposits withdrawn with the Depositors' Ac--counts; loans repaid with the origi--nal papers relating to the re-payment and also with the Depositors' Accounts loans to members with the members' loan accounts; interest paid on loans and deposits with the depositors' ac--counts; dividend and bonus paid with reference to the Share-Register; stock bought with the stock account or with the stock actually on hand (allowing for sale &c.) establishment and con--tingencies with orders and bye-laws on the subject

16. For all important items of dis--bursement, the receipt obtained from the parties should be inspected and examined and defaced so that it cannot be produced again to support a second charge.

Members' Loan Accounts.

---

17. Check the ela calculations in each account throughout.

18. See that every entry in the

the receipt or payment side is supported by an entry in the Cash-Book.

19 Make a list of the outstanding loans in which on the day of audit, the payment has been delayed for more than two months and note against each loan the prospect of its being re-covered as far as can be ascertained.

20. Scrutinize the outstanding loan list (prepared as above) of the last audit and if any item be still out-standing deal with the case in detail Such old items should be marked prominently in the list prepared under clause 19

19. Substitute "Section" for "Clause"

21. See carefully that all the persons to whom loans have been made are members and that the limit to which a member can borrow as prescribed in the by-laws has been observed.

22. Scrutinize the bonds and see that they are properly filed. Note whether members go surety for members who have gone surety for them

Depositors' Accounts and Accounts of loans taken by a Society.

23. Check the calculations of each account throughout and see whether payments of interests have been regularly made.

24. See whether any repayments fell

fell due during the period covered by the audit and whether they were timely made.

25 See that all receipts and dis--bursements entered in these accounts are supported by entries in the Cash--Book.

26. See that the limit up to which the Committee are allowed to borrow on the security of the Society is not exceeded.

Register of Members' Nominees.

27. See that this Register ~~is~~ has been properly kept up and that all transactions in the Depositors' Accounts, Register of Shares &c., relating to parties deceased during the period covered by the audits are carried out in accordance with the entries in this Register

Savings Bank Account.

28. Scrutinize the pass book and see that the interest is properly calculated and credited and that the deposits and withdrawals are properly accounted for in the Cash-Book.

Minute Book.

29. See if the Minute Book contains reports of the proceedings of (1) the General Meetings (II) the Committee Meetings (III) the Supervisors Meetings held

29. See if the Minute Book contains reports of the proceedings of (1) the General Meetings (II) of Committee Meetings. If any transactions are referred to in the former sections which do not appear in Cash Book & the accounts, inquire & record the reason,

held during the period covered by the audit. If any transactions are referred to in the proceedings which do not appear in Cash-Book & the accounts inquire and record the reason.

30. Comment on any measure of special importance dealt with in the proceed--ings if you consider necessary,

G e n e r a l.

31. Calculate the cash-book balance on the day of audit and verify the cash in hand by actual counting.

32. Prepare (or if prepared by the Society) the statement of (1) receipts and disbursements during the period covered by the audit, (II) Pro--fit and Loss, (III) Assets and Liabi--lities on the last day of the period covered by the audit, in the form (annexed herewith) and append them to the report.

33. State the condition of the Reserve Fund of the Society. Is it properly maintained in accordance with section 8 of the Act

33 Substitute Regulation for Act

34. State generally whether the So--ciety is solvent whether it has got sufficient cash balance, whether the difference between the rates at which the loans are obtainedand loans are given is sufficient and whether on the

10

the whole it is prospering or decaying

35. State whether the Committee, (Supervisors) and other office-bearers of the Society have been properly elected and whether their duties have been properly allocated.

36. State whether any of the by-laws have been altered during the year and whether such alterations have been made according to the rules.

37 State whether the Committee met regularly for the transaction of busi--ness (how often it meets) whether the accounts have been properly kept and whether the staff is sufficient and efficient.

38. See whether the defects pointed out in the last audit have been remedied.

---------||||||||||||||||||---------

Copy

Bangalore
26th January 1909

M. Shamanna Rao

Registrar, *Co-operative Societies*
in Mysore,

Assets		Liabilities.	
1. Cash in Hand		1 Loans from non-members ...	
2. Loans due by members		2 Loans from other societies. ...	
3. Loans due by other societies		3 Interest due on items 2 and 3...	
4. Interest due on items 2 and 3		4 Loans from Government ...	
5. Value of stock in hand		5 Interest due to Government ...	
6. Other items		6	
Total		Total	
Loss			
Grand Total		6. Share capital ...	
		7. Deposits by members ...	
		8. Interest due on member's deposits	
		9. Dividend due to members	
		Total of items 6,7,8&9	
		10 Establishment and contingent charges ...	
		11 Other items ...	
		12 Reserve Fund ...	
		Total	
		+Profit	
		Grand Total	

Profit.		Loss.	
1. Interest earned		1 Interest paid and due.	
2. Gross profit on sales of Stock		2 Establishment and contingent charges paid and due.	
3. Other items		3. Debts written off	
		4. Depreciation value of stock	
Total		5. Other items.	
- Net loss		Total	
		Net profit.	
		Grand Total	

Purposes of Loan.

Purpose	Number of loans granted during the year	Amount.
Loans for cultivation expenses		
" " purchase of cattle &c		
" " Payment of rent		
" " Improvement of land.		
" " trade		
" " house repairs &c.		
" " purchase of land		
" " maintenance.		
" " payment of debts		
" " marriage expenses		
" " other ceremonies		
" " litigation		
" " raw materials		
ther purposes:-		
Total...		

Date of audit

Signature of officer.

12

(3) Copies

G.R.S. 28]

File No.

Serial No.

Diary No. of letter replied to

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

( )

, *the* 19^

Date of issue 3rd July 1909

Signed by W. Lee Rutherford

READ.— Letter no 3944 & 26-1-09 from the Registrar Co-operative Societies Mysore. (To be printed in extenso with its enclosure)

H 3483 3rd July 09

ORDER THEREON.—No. With the alterations suggested by the Registrar, the rules reproduced above are suitable and their adoption for conducting the inspection of Co-operative

over

SUBJECT

Societies in appendix

2. The word 'Supervisor' will be omitted from para 35 of the rules, as there are no Officers of this designation in connexion with Cooperative Societies in Mysore

Genl Secy 18/1/69

Print
Translate.

Secy 23.69

To The Registrar of Cooperative Societies, Mysore

Mew Copy

roceedings of the Government of His Highness the Maharaja

M y s o r e.

Rbe a d

Letter No.394 dated 26th January 1909 from the Registrar of Co-operative Societies in Mysore.

With reference to the Revenue Commissioner's official Memorandum No.5768 dated 4th December 1908, (~~copy enclosed~~) I have the honor to forward herewith a copy of the rules framed by Mr.J.S.Chakravarti, the present Comptroller of Mysore, for audit of accounts of Co-operative Credit Societi in Bengal, together with my suggestions noted in juxtaposiiti whenever modifications suited to the conditions in Mysore seemed to me necessary

gistrar's suggestions

Process of the audit of accounts of Co-operative Credit Societies, B e n g a l.

----------00000----------

Preliminary.

1. Mention the following particulars regarding the Society:-

(a) Date when established.

(b) Name of the villages included within its operations.

(c) Names of the proprietor or names of the principal proprietors if there are many within which the society is situated.

(d) Names of the office-bearers with the dates of their appointments.

(e) Name of the keeper of the books and whether he is a member or not and also whether he is paid any remuneration.

1 (b) Name of the villages included within its operations State whether they are Government or Inam villages.

(c) This may be omitted.

2. See that the Register is properly maintained and that the addresses, caste, dates of membership and other particulars if any, as mentioned in the by-laws are properly filled in and that all the members reside within the boundaries specified in the by-laws. State also whether any of the members belong to another society.

3. See that the number of members is not less than ten.

No distinction is made in Mysore between rural and Urban Societies.

Register of Members.

2. See that the Register is properly maintained and that the addresses, caste, dates of membership and other particulars are properly filled in and that all the members reside within the boundaries specified in the by-laws and none of the members belong to another rural society.

3. See that the number of members is not less than ten and that four-fifths of the members are

(a) in the case of Rural Societies, agriculturists;

(b) in the case of Urban Societies, non-agriculturists.

4. See that all the new members have paid admission fee, if any and that rules regarding admission of new members have been observed.

5. Note whether any of the members have been expelled from the Society and whether in such cases the rules regarding expulsion have been observe

Register of Shares and Debentures.

6. Mention what is the amount of the share-capital of the society and whether it has exceeded the maximum limit prescribed in the rules.

Substitute Regulation for Act.

which a member can hold shares (sec 12 of Act has not been exceeded in any case.

8. See that there have been no transfer of shares held by a member for less than one year

9. Substitute " "Regulation" for Act

9. Scrutinize how the shares of members deceased dince last audit have been disposed of (sec 16 of Act) referring to the Register of Members' (Nominees) when necessary.

Cash Book.

See that the opening balance of the present period of audit agrees with the closing balance of preceding period; also see that the totals have been correctly made every month and the correct balances carried forward from month to month.

11 State whether the monthly balance is signed by the Treasurer and cash verification certificate recorded an entry to thet effect being also made in the Minute Book.

12. Examine carefully whether the transactions of the Society are entered from day to day as they take place.

12. Examine carefully whether the transactions of the society are done on the day the committee meets.

23. Check all receipts on account of share payments with the Register of Shares; all receipts on account of entrance fees with the Register of Members; all receipts on account of deposits

deposits by members with the Depositors' Accounts; all loans from Govern-ment or non-members with the original papers relating to the transactions as well as with the Depositors' Accounts and also with reference to the by-laws (sec 9 of the Act) all loans repaid by members with the Members' loan Accounts; interest received with the Members' Loan Accounts; Sale proceeds of stock with the Stock-Account or original papers relating to purchase and sale of stock.

13. Substitute "Regulation" for Act.

14. In all cases in which receipts are not such as can be traced into any Register, the papers relating to the receipts should be carefully gone through and the receipts checked against those papers.

15. Check disbursements on account of share-capital withdrawn with the Register of Shares; deposits withdrawn with the Depositors' Accounts; loans repaid with the original papers relating to the repayment and also with the Depositors' Accounts; loans to Members with the members loan accounts; interest paid on loans and deposits with the depositors' accounts; dividend bonus paid with reference to the Share-Register; stock bought with the stock account or with the stock actually on hand (allowing for sale &c) establishment and contingencies with orders and bye-laws on the subject.

16. For all imporatnt items of disbursement, the receipt obtained from the parties should be inspected and examined and defaced so that it cannot be produced again to support a second charge

Members' Loan Accounts.

17. Check the calculations in each account throughout.

18. See that every entry in the receipt or payment side is supported by an entry in the Cash-Book.

19. Make a list of outstanding loans in which on the day of audit, repayment has been delayed for more than two months and note against each loan the prospect of its being recovered as far as can be ascertained .

20. Scrutinize the outstanding loan list (prepared as above) of the last audit and if any item be still outstanding deal with the case in detail. - Such old items should be marked prominently in the list prepared under clause 19

19. Substitute "Section" for "Clause"

21. See carefully that all the persons to whom loans have been made are members and that the limit to which a member can borrow as prescribed in the bye-laws has been observed.

22. ~~Scrutinize~~ Scrutinize the bonds and see that they

they are properly filed . Note whether members go surety for members who have gone surety for them.

Depositors' Accounts and Accounts of Loans taken by a Society

23. Check the calculations of each account throughout and see whether payments of interests have been regularly made.

24 See whether any repayments fell due during the period covered by the audit and whether they ~~were~~ were timely made

25. See that all receipts and disbursements entered in these accounts are supported by entries in the Cash-Book.

26. See that the limit up to which the Committee are allowed to borrow on the security of the Society is not exceeded.

Register of Members' Nominees.

27. See that this Register has been properly kept up and that all transactions in the Depositors' Accounts, Register of Shares &c., relating to parties deceased during the period covered by the audits are carried out in accordance with the entries in this Register.

Savings Bank Account.

28. Scrutinize the pass book and see that

that the interest is properly calculated and credited and that the deposits and withdrawals are properly accounted for in the Cash Book.

Minute Book.

29. See if the Minute Book contains reports of the proceedings of the (1) General Meetings (II) the Committee meetings (III) the Supervisor's Meetings held during the period covered by the audit. If any transactions are referred to in the proceedings which do not appear in Cash Book and the Accounts ---- inquire and record the reason.

Minute Book. ...ine reports of the proc... (1) the General ...ngs and (II) of Committee-...ittee Meetings. If any ...actions are referred to ...e proceedings which do ...ear in the Cash Book ...ire, inquire and record.

30. Comment on any measure of special importance dealt with in the proceedings if you consider necessary.

General.

31. Calculate the Cash Book balance on the day of audit and verify the cash in hand by actual counting.

32. Prepare (or if prepared by the Society) the statement of (1) receipts and disbursements during the period covered by the audit, (II) profit and loss, (III) Assets and Liabilities on the last day of the period covered by the audit, in the form (annexed herewith) and append them to the report.

Substitute "Regu- for Act

33. State the condition of the Reserve Fund of the Society. Is it properly maintained in accordance with section 8 of the Act ?

State generally whether the Society

is solvent, whether it has got sufficient cash balance; whether the difference between the rates at which the loans are obtained and loans are given is sufficient and whether on the whole it is prospering or decaying.

35. State whether the Committee, (Supervisors) and other office-bearers of the Society have been properly elected and whether their duties have been properly allocated.

36. State whether any of the by-laws have been altered during the year and whether such alterations have been made according to the rules.

37. State whether the Committee met regularly for the transaction of business (how often it meets) whether the accounts have been properly kept and whether the staff is sufficient and efficient.

38. See whether the defects pointed out in the last audit have been remedied.

---

rder thereon No:- 3C34 / B28-08

Dated Bangalore, the 3 ~~June~~ July 1909.

With the alterations suggested by the Registrar, the rules reproduced above are suitable and their adoption for conducting the inspection of cooperative societies is approved. The word 'Supervisors' will be omitted from para 35 of the rules and there are no other rules for the designation in corresponding.

Sd/ T. S. Balasundaram Esq

Assets	Liabilities.
1. Cash in hand	1. Loans from non members
2. Loans due by members	2 Loans from other socie
3. Loans due by other societies	3. Interest due on items
4. Interest due on items 2 & 3	4. Loans from Governm nt
5. Value of stock in hand	5. Interest due to Gover
6. Other items	
Total	Total
Loss	
Grand Total	6. Share Capital
	7. Deposits by members
	8. Interest due on members deposits
	9. Dividend due to members
	X9. Total of items 6,7,8&9
	10. Establishment & Contingent charges
	11. Other items
	12. Reserve Fund,
	Total
	Profit
	Grand Total

Profit	Loss.
Interest earned.	1. Interest paid / due
~~Net profit~~ on sale of items	2. Establishment and contingent charges paid / due.
Total	Other write off
	Depreciation in value
Net Loss	

Purposes of loan.

Purpose	Number of loans granted during the year	Amount
Loans for cultivation ~~purposes~~ expenses.		
" " purchase of cattle &c		
" " Payment of rent		
" " Improvement of land		
" " trade		
" " House repairs etc		
" " purchase of land		
" " Maintenance		
" " payment of debts		
" " marriage expenses		
" " other ceremonies		
" " litigation		
	raw materials	
	Other purposes	
	Total	

Signature of audit

2-4

F O R M of A U D I T S T A T E M E N T.

(For the year ending 19)

--O--

1. Name of District.
2. Name and Kind of Society
3. Registered Number
4. Number of members:-
   (1) At the beginning of the year
   (2) At the end of the year
5. Working Capital
   (1) At the beginning of the year
   (2) At the end of the year
6. Sources of working capital

Receipts	Expenditure.
1. Share payments	1. Share Capital withdrawn
2. Entrance fees	2. Deposits withdrawn
3. Deposits by members	3. Loans repaid to Government
4. Loans from Government.	4. Loans repaid to other Societies.
5. Loans from other Societies	5. Loans repaid to non-members.
6. Loans from non-members	6. Loans granted to members
7. Loans repaid by Members	7. Loans granted to other Societies.
8. Loans repaid by other societies	8. Interest on loans and deposits
9. Interest received	9. Dividend and bonus
10. Sale proceeds of stock	10. Stock bought
11. Other income.	11. Establishment and contingent charges.
T O T A L	12. Other items
Opening Balance	13. Carried to Reserve Fund.
GRAND TOTAL	Total
	Closing balance

Proceedings of the Government of His Highness the Maharaja of Mysore.

READ—

Letter No. 394, dated 26th January 1909, from the Registrar of Co-operative Societies in Mysore:—

"With reference to the Revenue Commissioner's official memorandum No. 5768, dated 4th December 1908, I have the honor to forward herewith a copy of the rules framed by Mr. J. S: Chakravarti, the present Comptroller of Mysore, for audit of accounts of Co-operative Credit Societies in Bengal, together with my suggestions noted in juxtaposition whenever modifications suited to the conditions in Mysore seemed to me necessary."

Process of the audit of accounts of Co-operative Credit Societies, Bengal.

Registrar's suggestions.	*Preliminary.*
	1. Mention the following particulars regarding the Society:—
1. (*b*) Names of the villages included within its operations. State whether they are Government or Inam villages.	(*a*) Date when established.
(*c*) This may be omitted.	(*b*) Names of the villages included within its operations.
	(*c*) Name of the proprietor or names of the principal proprietors if there are many within which the society is situated.
	(*d*) Names of the office-bearers with the dates of their appointments.
	(*e*) Name of the keeper of the books and whether he is a member or not and also whether he is paid any remuneration.
	Register of Members.
2. See that the register is properly maintained and that the addresses, caste, dates of membership and other particulars if any as mentioned in the by-laws are properly filled in and that all the members reside within the boundaries specified in the by-laws. State also whether any of the members belong to another society.	2. See that the register is properly maintained and that the addresses, caste, dates of membership and other particulars are properly filled in and that all the members reside within the boundaries specified in the by-laws and none of the members belongs to another rural society.
3. See that the number of members is not less than ten.	3. See that the number of members is not less than ten and that four-fifths of the members are:—
No distinction is made in Mysore between Rural and Urban Societies.	(*a*) In the case of Rural Societies, agriculturists.
	(*b*) In the case of Urban Societies, non-agriculturists.
	4. See that all the new members have paid admission fee, if any, and that rules regarding admission of new members have been observed.
	5. Note whether any of the members have been expelled from the society and whether in such cases the rules regarding expulsion have been observed.
	Register of Shares and Debentures.
	6. Mention what is the amount of the share-capital of the society and whether it has exceeded the maximum limit prescribed in the rules.
7. Substitute 'Regulation' for 'Act.'	7. See that the limits up to which a member can hold shares (Section 12 of Act) has not been exceeded in any case.
	8. See that there have been no transfers of shares held by a member for less than one year.

Substitute 'Regulation' for 'Act.

9. Scrutinize how the shares of members deceased since last audit have been disposed of (Section 16 of Act), referring to the Register of Members' Nominees when necessary.

Cash Book.

10. See that the opening balance of the present period of audit agrees with the closing balance of preceding period; also see that the totals have been correctly made every month and the correct balances carried forward from month to month.

11. State whether the monthly balance is signed by the Treasurer and cash verification certificate recorded, an entry to that effect being also made in the Minute Book.

12. Examine carefully whether the transactions of the society are entered from day to day as they take place.

12. Examine carefully whether the transactions of the society are done on the day the committee meets.

13. Substitute 'Regulation' for 'Act.'

13. Check all receipts on account of share-payments with the Register of Shares; all receipts on account of entrance fees with the Register of Members; all receipts on account of deposits by members with the Depositors' Accounts; all loans from Government or non-members with the original papers relating to the transactions as well as with the Depositors' Accounts and also with reference to the by-laws (Section 9 of the Act), all loans repaid by members with the Members' Loan Accounts; interest received with the Members' Loan Accounts; sale proceeds of stock with the Stock Account or original papers relating to purchase and sale of stock.

14. In all cases in which receipts are not such as can be traced into any register, the papers relating to the receipts should be carefully gone through and the receipts checked against those papers.

15. Check disbursements on account of share-capital withdrawn with the Register of Shares; deposits withdrawn with the Depositors' Accounts; loans repaid with the original papers relating to the repayment and also with the Depositors' Accounts; loans to members with the Members' Loan Accounts; interest paid on loans and deposits with the Depositors' Accounts; dividend bonus paid with reference to the Share-Register; stock bought with the Stock Account or with the stock actually on hand (allowing for sale, etc.) establishment and contingencies with orders and by-laws on the subject.

16. For all important items of disbursement, the receipt obtained from the parties should be inspected and examined and defaced so that it cannot be produced again to support a second charge.

Members' Loan Accounts.

17. Check the calculations in each account throughout.

18. See that every entry in the receipt or payment side is supported by an entry in the Cash Book.

Financial (Banking), dated 3rd July 1909.

19. Make a list of outstanding loans in which on the day of audit, repayment has been delayed for more than two months and note against each loan the prospect of its being recovered as far as can be ascertained.

20. Substitute Section for clause

20. Scrutinize the outstanding loan list (prepared as above) of the last audit and if any item be still outstanding deal with the case in detail. Such old items should be marked prominently in the list prepared under clause 19.

21. See carefully that all the persons to whom loans have been made are members and that the limit to which a member can borrow as prescribed in the bye-laws has been observed.

22. Scrutinize the bonds and see that they are properly filed. Note whether members go surety for members who have gone surety for them.

Depositors' Accounts and Accounts of Loans taken by a Society.

23. Check the calculations of each account throughout and see whether payments of interest have been regularly made.

24. See whether any repayments fell due during the period covered by the audit and whether they were timely made.

25. See that all receipts and disbursements entered in these accounts are supported by entries in the Cash Book.

26. See that the limit up to which the Committee are allowed to borrow on the security of the Society is not exceeded.

Register of Members' Nominees.

27. See that this register has been properly kept up and that all transactions in the Depositors' Accounts, Register of Shares, etc., relating to parties deceased during the period covered by the audits are carried out in accordance with the entries in this register.

Savings Bank Account.

28. Scrutinize the pass book and see that the interest is properly calculated and credited and that the deposits and withdrawals are properly accounted for in the Cash Book.

Minute Book.

29. See if the Minute Book contains reports of the Proceedings of the (I) General Meetings, (II) Committee Meetings, (III) Supervisors' Meetings held during the period covered by the audit. If any transactions are referred to in the Proceedings which do not appear in the Cash Book and the Accounts, inquire and record the reason.

30. Comment on any measure of special importance dealt with in the Proceedings if you consider necessary

29. See if the Minute Book contains reports of the Proceedings of (I) the General Meetings and (II) Committee Meetings. If any transactions are referred to in the Proceedings which do not appear in the Cash Book and Accounts, inquire and record the reason.

General.

31. Calculate the Cash Book balance on the day of audit and verify the cash in hand by actual counting.

32. Prepare or if prepared by the society check the statement of (I) receipts and disbursements during the period covered by the audit, (II) profit and loss, (III) assets and liabilities on the last day of the period covered by the audit, in the form (annexed herewith) and append them to the report.

33. Substitute 'Regulation' for 'Act

33. State the condition of the reserve fund of the society. Is it properly maintained in accordance with Section 8 of the Act.?

34. State generally whether the society is solvent, whether it has got sufficient cash balance, whether the difference between the rates at which the loans are obtained and loans are given is sufficient and whether on the whole it is prospering or decaying.

35. State whether the Committee (Supervisors) and other office bearers of the society have been properly elected and whether their duties have been properly allocated.

36. State whether any of the by-laws have been altered during the year and whether such alterations have been made according to the rules.

37. State whether the committee met regularly for the transaction of business (how often it meets), whether the accounts have been properly kept and whether the staff is sufficient and efficient.

38. See whether the defects pointed out in the last audit have been remedied.

FORM OF AUDIT STATEMENT.

(For the year ending 19

1. Name of District.
2. Name and kind of society
3. Registered number
4. Number of members :—
   (1) At the beginning of the year
   (2) At the end of the year
5. Working capital
   (1) At the beginning of the year
   (2) At the end of the year
6. Sources of working capital.

Financial (Banking), dated 3rd July 1909.

Receipts.		*Expenditure.*	
1. Share payments		1. Share capital withdrawn	
2. Entrance fees		2. Deposits withdrawn	
3. Deposits by members		3. Loans repaid to Government	
4. Loans from Government		4. Loans repaid to other societies	
5. Loans from other societies		5. Loans repaid to non-members	
6. Loans from non-members		6. Loans granted to members	
7. Loans repaid by members		7. Loans granted to other societies	
8. Loans repaid by other societies.		8. Interest paid on loans and deposits	
9. Interest received		9. Dividend and bonus	
10. Sale proceeds of stock		10. Stock bought	
11. Other income		11. Establishment and contingent charges	
Total ...		12. Other items	
Opening Balance ...		13. Carried to Reserve Fund	
Grand Total ...		Total ...	
		Closing Balance ...	
		Grand Total ...	

Purposes of loan.

Purpose	Number of loans granted during the year	Amount
Loans for cultivation expenses		
Do purchase of cattle, etc. ...		
Do payment of rent	–	
Do improvement of land ...		
Do trade		
Do house repairs, etc.		
Do purchase of land		
Do maintenance		
Do payment of debts		
Do marriage expenses		
Do other ceremonies		
Do litigation		
Do raw materials		
Do other purposes		
Total ...		

Proceedings of the Government of His Highness the Maharaja of Mysore,

Assets.		*Liabilities.*	
1. Cash in hand		1. Loans from non-members	
2. Loans due by members		2. Loans from other societies	
3. Loans due by other societies		3. Interest due on items 2 and 3	
4. Interest due on items 2 and 3		4. Loans from Government	
5. Value of stock in hand		5. Interest due to Government	
6. Other items		Total	
Total ...		6. Share capital	
Loss ...		7. Deposits by members	
Grand Total ...		8. Interest due on members' deposits	
		9. Dividend due to members	
		Total of items 6, 7, 8 and 9	
		10. Establishment and contingent charges	
		11. Other items	
		12. Reserve Fund	
		Total ...	
		Profit ...	
		Grand Total ...	

Profit.		*Loss.*	
1. Interest earned		1. Interest paid and due	
2. Gross profit on sales of stock		2. Establishment and contingent charges paid and due	
3. Other items		3. Debts written off	
Total ...		4. Depreciation value of stock	
Net Loss ...		5. Other items	
		Total ...	
		Net profit ...	
		Grand Total ...	

Date of audit

Signature of auditor.

No. Fl. 34—B. 28-08, dated Bangalore, 3rd July 1909.

Order thereon.—With the alterations suggested by the Registrar the rules reproduced above are suitable and their adoption for conducting the inspection of Co-operative Societies is approved.

2. The word "Supervisors" will be omitted from para. 35 of the rules, as there are no officers of this designation in connection with Co-operative Societies in Mysore.

C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Registrar of Co-operative Societies in Mysore.

1909-10

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

FINANCIAL (BANKING)

PROCEEDINGS

Dated 3rd July 1909

No. Fl. 34 / B. 28-08

Approving of the rules for audit of accounts of Co-operative Societies.

GPB—5-8-09—200